



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Kathleen Clarke
Executive Director

Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

July 14, 2000

Stephen E. Flechner, President and CEO
North Lily Mining Company
1800 Glenarm Place Suite 210
Denver, Colorado 80202

Re : Request for Release of Interest, Certificate of Deposit (CD), North Lily Mining Company,
Tintic Project, M/023/007, Juab County, Utah

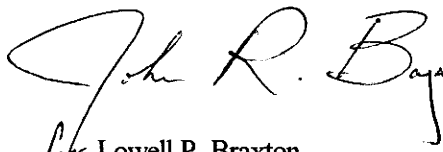
Dear Mr. Flechner:

This letter is in response to your recent inquiry which was conveyed during a joint agency conference call on June 13, 2000, and again on June 21, 2000, when you spoke with Wayne Hedberg, Minerals Program Permit Supervisor. You asked if the interest that has accrued on the Certificate of Deposit (First Security Bank account #:) could be released to North Lily Mining Company. As of June 15, 2000, the account balance was reported as \$205,344.64. By this letter, the Division grants North Lily permission to withdraw the amount of interest which exceeds the required surety amount of \$191,500 (year 2002 dollars).

On July 13th we spoke with Brenda Peterson of First Security Bank (Payson Branch) concerning this account. We were informed that a letter from our Division would be required to authorize release of this interest. On July 11th we signed and returned a new signature card and a withdrawal receipt/debit to First Security Bank. A copy of this letter will be forwarded to Ann Norman, Branch Manager, Security Bank to authorize release of said interest, as requested.

Please contact Mary Ann Wright (801) 538-5306, or Wayne Hedberg at (801) 538-5286, if you have questions or concerns regarding this letter. Again, thank you for your continued cooperation and efforts in working towards final closure of this mining facility.

Sincerely,


for Lowell P. Braxton
Director

jb

cc: Mary Ann Wright, DOGM

Wayne Hedberg, DOGM

cc: north lily/interest.rel Ann Norman 1st Sec Bank 95N Main. Payson UT 84651

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